(b) Statement attached (*See* below).

(d) While approving proposals for setting up Joint Ventures, it is kept in mind that their proposed activities are related to the past experience and are generally in conformity with the business objectives of the investing Indian companies.

Statement

Name of the Indian promoter Company	Number of joint Venture set up	Number of subsidiary set up	The date when set up	Approval for setting up accorded by
1. Jiyajee Rao Cotton Mills	..	1	1962	Initial approval accorded by RBI (The case is being Processed under FERA).
2. Raymond Woollen Mills	2	3	*Jvs.* i. Kenya—25-3-66 ii. Indonesia -19-6-74 *Subsidiaries* i. Honkong -21-5-76 ii. U.K. -2-6-80 iii. Switzer-Land.—7-8-81	Govt. Govt. Govt. Govt.
3. Bombay Burmah Trading Co.	—	2	i. Malaysia—5-10-72 ii. Hongkong —1973	RBI Set up prior to promulgation of FERA. The Case is being processed under FERA).
4. Shaw Wallace	1	1	(JV) Shri Lanka—5-4-77 (WOS) U.K.—4-4-77	Govt. Govt.

Market price of shares of some companies..

1877. PROF. C. LAKSHMANNA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a large number of companies are being incorporated with the object of making investment finance, trading, leasing and cashing on chit fund business;

(b) whether it is also a fact that market prices of shares of many of such companies are well below par and new listings are taking place inspite of the adverse market conditions;

(c) whether it is a fact that an offieial committee had examined the desirability of continuing them as non-banking financial companies; and

(d) what action Government propose to take against such companies,

whose real objective obviously is tax planning rather than genuine business?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) 3941 companies were registered during the year 1985-86 under the activity classification Commerce (Trade & Finance) as against 3905 such companies registered during the year 1984-85.

(b) According to the information furnished by the Stock Exchange, Bombay, which accounts for about 66 per cent of the total paid-up equity capital of all the listed companies in the country, shares of 34 investment and finance, leasing and trading companies were quoted below par during the period January-June, 1986 out of a total of 84 such companies listed on that Exchange during the said period. The number of investment and finance, leasing and trading companies that got listed on the Bombay Stock Exchange during January-June, 1986 was 84, as against 69 during the corresponding period in the previous year.

(c) To examine the question of measures necessary to ensure that non-banking financial companies undertook their operations without jeopardising the interests of the depositors, a Study Group was set up by the R.B.I. some years ago. The Study Group had examined the adequacy of the provisions contained in the RBI Act on regulating the operations of the non-banking companies and made recommendations, *inter alia*, to improve the regulatory and supervisory mechanism for the non-banking financial companies.

(d) The Supreme Court in the case of McDowell and Co. Vs. CIT (164 ITR 148) in its judgement dated April, 17, 1985 has ruled that where the object of any arrangement is only to reduce tax liability, such tax avoidance is not legal and will not be recognised for purposes of tax. Every case of tax planning, which is covered by the ratio of the Supreme Court decision, is subjected to scrutiny and appropriate action under direct taxes acts is taken.

Reduction in the Number of Days for Allowing Rebates on Handlooms

1878. SHRI ALADI ARUNA *alias* V. ARUNACHALAM: Will the Minister of TEXTILES be pleased to state:

(a) what are the reasons for reducing the number of days for allowing rebates on handloom products from 60 days to 30 days; and

(b) whether Government had received appeals from the States for the restoration of rebate days to 60?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHED ALAM KHAN): (a) From the inception of the 20 per cent rebate scheme in 1975-76 it provided for 30 days general rebate on retail sales in a year plus rebate during National Handloom Expos approved or organised by the Office of the Development Commissioner for Handlooms. It was only in 1983-84 and 1984-85 that the period was increased to 60 days while withdrawing the rebate for National Handloom Expos. The Government reverted back to the original scheme in 1986-87 because it was found to be more equitable to different types of handloom marketing organisations in various States.

(b) Yes, Sir. A few State Governments like Tamil Nadu and Uttar Pradesh have made a request for increasing the rebate period to sixty days.

Deficit in Central Budget

1879. SHRIMATI KANAK MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) what is the Central budget deficit for the year 1985-86, budget estimate, revised estimate and actual;